

# INTERNATIONAL SHOE CO.

SUCCESSORS TO  
ROBERTS, JOHNSON & RAND SHOE CO.—PETERS SHOE CO.—FRIEDMAN-SHELBY SHOE CO.  
**MANUFACTURERS.**  
1501-1509 WASHINGTON AVE.  
ST. LOUIS, MO.

EXECUTIVE OFFICE

**ST. LOUIS, Mo.,**

Dec. 23, 1918.

To the Stockholders of the International Shoe Co.:

The greatest war in history has been brought to a successful and just conclusion. The world is finally at peace. At the beginning of this war, business was confronted by many difficulties. At first there was a marked decline in prices of all commodities and securities, followed, in a few months, by unprecedented advances in stocks and bonds, in the prices of commodities and in wages.

The many problems that have confronted business during the year have been successfully met by this Company, and it has emerged from these unsettled conditions in a stronger position than it was at the beginning. We must not forget, however, that we are now entering a period of reconstruction which will present new problems requiring the display of the most thoughtful judgment.

The officers and directors of this Company recognizing their responsibility and their duty to the stockholders have always felt that the payment from year to year of sure and regular, though conservative, returns to the stockholders was more to be desired than fluctuating and uncertain dividends. This Company and its predecessors, for more than twenty years, have never failed in any year to earn their dividends.

We are pleased to inform you that the Company has closed this business year on November 30th, 1918, with the largest volume of business in its history (\$52,000,000.00) and after paying dividends of 7% on its Common and Preferred stock and after setting aside an amount sufficient to pay the various National, State and Municipal taxes, and also setting up sufficient reserve to cover fully depreciation and maintenance, it has been enabled to add to its reserve a little more than one million dollars so that its surplus now amounts to \$8,185,135.44.

The Company begins the New Year with orders on hand sufficient to insure a good business for the first half of 1919. It is in a stronger financial position than ever before, and your officers and directors look to the future with courage, and with confidence in the continued prosperity of the Company.

Very respectfully,



J. Johnson

Chairman of the Board.

**U. S. A.**

NEW YORK, 79 WALL STREET  
BOSTON, 148 STATE STREET  
PHILADELPHIA, 1421 CHESTNUT STREET  
WASHINGTON, 738 FIFTEENTH STREET, N.W.  
NEW ORLEANS, 220 CARONDELET STREET  
PITTSBURGH, 248 FOURTH AVENUE  
CHICAGO, 105 SOUTH LA SALLE STREET  
MILWAUKEE, PABST BUILDING, WISCONSIN STREET  
ST. LOUIS, 418 PINE STREET CORNER BROADWAY  
KANSAS CITY, 924 WALNUT STREET  
DETROIT, 129 GRISWOLD STREET CORNER FORT STREET, W.  
MINNEAPOLIS, 116 SOUTH FOURTH STREET  
DALLAS, 1506 MAIN STREET  
SALT LAKE CITY, WALKER BANK BUILDING  
PORTLAND, 325 MORRISON STREET CORNER BROADWAY  
SAN FRANCISCO, 310 CALIFORNIA STREET

CABLE ADDRESS "MAWIKMIT" FOR ALL OFFICES  
CODES-WESTERN UNION-A B C B EDITION

# MARWICK, MITCHELL, PEAT & CO.

CHARTERED ACCOUNTANTS

PARTNERS

MARWICK, MITCHELL & CO.

W. B. PEAT & CO.

**CANADA**

MONTREAL, 260 ST JAMES STREET  
TORONTO, 8-8 KING STREET, EAST  
WINNIPEG, 211 PORTAGE AVENUE  
MOOSE JAW, BOB WALTER SCOTT BLOCK  
CALGARY, HERALD BUILDING, FIRST STREET, W.  
VANCOUVER, 1010 HASTINGS STREET, W.

**EUROPE**

LONDON, PINNERS HALL, OLD BROAD STREET  
GLASGOW, 105 BUCHANAN STREET  
PARIS, 6 RUE DAUNOU PRE L'AVENUE DE L'OPERA

616 FEDERAL RESERVE BANK BUILDING

BROADWAY AND PINE STREET

ST. LOUIS December 19, 1918.

We have audited the accounts of the International Shoe Company for the year ended November 30, 1918, and certify that the Balance Sheet appended hereto, properly presents, in our opinion, the financial position of the Company as at that date.

The cash in banks and on hand has been verified by certificates received from the several depositaries, while the accounts and notes receivable are stated after making suitable provision for bad and doubtful debts and discounts. The inventories of manufactured merchandise, raw materials, supplies, etc., as prepared under the supervision of responsible officials of the Company, are valued on the basis of net cash cost or market prices whichever were the lower at November 30, 1918.

Securities and other evidence of ownership in connection with the Company's holdings of Liberty Loan Bonds and other investments, were produced for our inspection, and we have examined the vouchers and other data in support of the expenditures on additions to physical properties during the year under review. The amount charged to operations in respect of the depreciation and maintenance of the physical properties for the year under review is, in our opinion, adequate for these purposes.

All liabilities of the Company at November 30, 1918, of

which we have cognizance, are included in the balance sheet, and provision has been made for the anticipated maximum income and war Excess Profits Taxes to that date.

Mark Mitchell Feb 70

INTERNATIONAL

Balance

As at Novemb

Assets

## Current and Working Assets:

Cash in Banks and on Hand	\$ 773,768.79
United States Government Liberty Loan Bonds - net equity therein	435,250.00
Customers Acceptances and Notes Receivable	12,615.24
Accounts Receivable:	
Customers, less Reserve for Bad Debts and Discounts	8,600,517.74
Salesmen's Traveling Advances and Balances due by Officers and Employees	57,191.82
Advances to Employees, secured by Liberty Loan Bonds and Capital Stock of the Company	153,150.38
Inventories:	
Manufactured Merchandise	2,577,264.16
Raw Materials, Supplies, and Merchandise in Process	<u>8,482,505.11</u>
Total Current and Working Assets	<u>21,092,283.24</u>

## Expenses Paid in Advance:

Insurance Premiums, Interest, Taxes, and Other Deferred Charges against Operations	125,179.79
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## Investments in Stocks and Bonds of Other Companies

37,750.00

## Real Estate, Buildings, Machinery and Equipment:

Gross Book Value, as at November 30, 1917	\$ 4,829,606.24
Add - Net Expenditure on Additions to	
Physical Properties	<u>95,719.01</u>
Total	<u>4,625,325.25</u>
Less - Reserve in respect of Depreciation on Physical Properties	<u>1,214,369.87</u>
Goodwill, Trademarks, and Brands	3,410,955.38

Goodwill, Trademarks, and Brands

12,750,000.00

Total

\$ 37,416,168.41

ember 30, 1918

Liabilities

## Current and Accrued Liabilities:

Notes Payable - Brokers and Individuals	\$ 2,840,000.00
Accounts Payable for Merchandise, Supplies, Etc.	1,728,923.71
Officers and Employees Balances, Deposits, Etc.	<u>177,109.26</u>
<b>Total Current and Accrued Liabilities</b>	<b>4,746,032.97</b>

Reserve for Income and War Excess Profits Taxes	1,585,000.00
Reserve for Dividend on Preferred Stock	150,000.00

## Capital Stock:

Authorised in shares of \$100 each -	
127,500 shares of Common and 122,500	
shares of 7% Cumulative Preferred	
Stock	\$ 25,000,000.00

## Whereof Issued:

Common - 127,500 shares of \$100 each	12,750,000.00
Preferred - 100,000 shares of \$100 each	<u>10,000,000.00</u>

<b>Total Capital Stock Issued</b>	<b>22,750,000.00</b>
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Reserve for Trade Conditions affecting Raw Material Market	1,000,000.00
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## Surplus:

Surplus, as at November 30, 1917	\$ 6,092,254.55
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Net Earnings for year to November 30, 1918	\$ 4,397,880.89
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Less - Provision for Federal Taxes	<u>1,585,000.00</u>	<u>2,812,880.89</u>
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<b>Gross Surplus</b>	<b>8,905,135.44</b>
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## Less - Dividends Declared:

Common Stock - 8%	1,020,000.00
Preferred Stock - 7%	<u>700,000.00</u>

<b>Net Surplus, November 30, 1918</b>	<b>7,185,135.44</b>
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<b>Total</b>	<b>\$ 37,416,168.41</b>
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